



May 2005
Issue No. 139

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Mailing List Form

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Loan Interests

Clean Water Fund Program SFY 2006 Funding Policies

Cindy Hoffland

Below are the proposed funding policies for administering the Clean Water Fund Program (CWFP) for State Fiscal Year (SFY) 2006. These funding policies will be effective for SFY 2006 (July 1, 2005 through June 30, 2006).

Population & PERF Scores

The CWFP uses the most recent population estimates published by the Department of Administration (DOA) for calculating Priority Evaluation and Ranking Form (PERF) scores. If a municipality requests through its Notice of Intent to Apply that DNR use a previously submitted PERF to assign a score to its project, the CWFP recalculates that PERF score using the most recent population estimates published by DOA.

DBE Solicitation & Federal Funds

The fair share objectives for utilization of minority business and women business enterprises (MBEs/WBEs) are as negotiated with the Environmental Protection Agency in March 2003. A municipality receiving CWFP monies must either:

- utilize MBEs for 3% or more of the cost of its project and utilize WBEs for 4% or more of the cost of its project; or
- certify that a good faith effort was made to achieve these goals.

Each year the CWFP must designate a number of projects with total costs equivalent to the amount of the federal capitalization grant for that year to be federally funded projects, also known as “equivalency” projects. These projects are subject to certain additional requirements and must receive binding commitments (Financial Assistance Agreements) within one year of the department’s receipt of the corresponding capitalization grant.

If a municipality’s project is designated as a federally funded “equivalency” project, the municipality must comply with Small Businesses in Rural Areas (SBRA) solicitation requirements in addition to the MBE/WBE solicitation requirements. An SBRA is a small business that is located in and conducts its primary operation in a non-metropolitan county. Projects listed in bold type on the CWFP SFY 2006 Project Priority List in the appendix are designated to receive federal funding.

Note: Consult the Rural-Urban Continuum Code of Classification to determine which businesses are located in non-metropolitan areas. USDA developed this code for every county in the United States. Non-metropolitan counties with a code of 6, 7, 8, or 9 in the Rural-Urban Continuum Code are considered rural counties for purposes of SBRA solicitation. The Rural-Urban Continuum Code is included in the Environmental Improvement Fund Reference Guide. It is also available on the web at <http://www.ers.usda.gov/data/sdp/view.asp?f=rural/89021> (click on cd8393.dat and scroll down to “WI” for Wisconsin counties).

If a municipality's project is designated as a federally funded "equivalency" project, the municipality must also comply with the federal Single Audit Act (see OMB Circular A-133), and must sign the Federal Equivalency Projects Assurances and Certification (Form 8700-201).

Hardship Assistance & PV

Present value subsidy (PV) is the financial control used to limit the amount of CWFP financial assistance. The total amount of estimated PV available for the 2005-2007 biennium is \$136,600,000. Fifteen percent of this amount, or \$20,490,000, would be set aside for hardship financial assistance. The estimated hardship PV limit for SFY 2006 is \$16,043,670 or 78.3% of the biennial hardship PV amount. This limit is based on projected wastewater needs and financial assistance to be provided in SFYs 2006 and 2007.

Hardship PV will be allocated to municipalities in the fundable range based on amounts shown in the applications and current information at the time the hardship financial assistance funding list is published. If a municipality's cost estimates increase between the time the list is published and the time the Financial Assistance Agreement is prepared, and there is insufficient unallocated hardship PV remaining to fund the increase with hardship financial assistance, the municipality may receive funding for the additional costs at the non-hardship interest rate specified for the type of project being constructed.

The department may provide partial hardship funding to the last project in the SFY 2006 fundable range if the CWFP does not have enough hardship PV available to fully fund the project. Any partially funded project can compete in a future fiscal year for additional hardship PV.

If you have questions related to CWFP hardship financial assistance, contact Cindy Hoffland at (608) 266-7758 or cynthia.hoffland@dnr.state.wi.us.

If you have questions related to designation as a federally funded project, contact Becky Scott at (608) 267-7584 or Rebecca.Scott@dnr.state.wi.us. ☐

CWFP SFY 2006 Project Priority List

Ken Hollenzer

Attached to this newsletter is the State Fiscal Year (SFY) 2006 Project Priority List for the Clean Water Fund Program (CWFP). The list contains all CWFP projects eligible to submit an application for SFY 2006 funding. The projects are sorted in descending order by priority score. In the case of tie scores, the project serving the higher population has higher priority. Projects with a priority score of zero are projects for which the DNR has never received a Priority Evaluation and Ranking Form (PERF), as of December 31, 2004.

If you have questions regarding the CWFP Project Priority List, contact Ken Hollenzer at (608) 266-7542 or kenneth.hollenzer@dnr.state.wi.us. ☐

CWFP Hardship Deadline Reminder

Cindy Hoffland

Application Deadline: Clean Water Fund Program (CWFP) hardship financial assistance applications must be postmarked by June 30, 2005.

This deadline applies to you if you submitted a Notice of Intent to Apply (ITA) by December 31, 2004, and you want to receive hardship financial

assistance in State Fiscal Year 2006 (July 1, 2005 - June 30, 2006).

You can obtain a copy of the CWFP Hardship Financial Assistance Preliminary Calculation Request (Form 8700-282) and CWFP Financial Assistance Application (Form 8700-203) from our forms web page (<http://dnr.wi.gov/org/caer/cfa/EL/FORMS/forms.html>), or by contacting Deb Olson at 608-266-5889 or debra.olson@dnr.state.wi.us.

Calendar of Events

June 30, 2005
Postmark deadline
CWFP Hardship applications

August 1, 2005
Postmark Deadline
LRLP Applications

October 1, 2005
Postmark Deadline
LRLP Applications

For more information, contact Cindy Hoffland at (608) 266-7758 or cynthia.hoffland@dnr.state.wi.us, or see our hardship financial assistance web pages (<http://dnr.wi.gov/org/caer/cfa/EL/Section/hardship.html>). ☐

Federal Equivalency Projects

Becky Scott

So your EIF project is designated as a federal equivalency project--what does that mean for you? First of all, don't panic; it's not as bad as you think. In the past being designated as federal equivalency meant having onerous requirements such as a one-year performance certification and value engineering imposed on your project--not anymore. Under current federal requirements, a municipality with a federal equivalency project only has to do four very minor extra things. **Please note that designated Clean Water Fund Program (CWFP) projects and all Safe Drinking Water Loan Program (SDWLP) projects must comply with the following requirements.**

First, you must solicit SBRAs in addition to MBEs and WBEs during your procurement processes. An SBRA is a Small Business located in a Rural Area. SBRA solicitation is required whether or not the project is located in a rural area. Even Milwaukee has to solicit for SBRAs if their project is designated as equivalency. The key is that the Small Business needs to be located in a rural county according to the federal rural-urban continuum. The county listing for Wisconsin can be found at: <http://www.ers.usda.gov/Data/RuralUrbanContinuumCodes/2003/LookUpRUCC.asp?C=R&ST=WI>.

Counties with a code of 4 through 9 are considered rural. There is no percentage goal associated with SBRAs; only a "good faith effort" is required.

The second extra requirement for a federal equivalency project is to fill out an EPA form (#4700-4), the "Preaward Compliance Review Report". This form relates to civil rights compliance. You can find a copy of the form at:

<http://www.epa.gov/ogd/AppKit/form/EPA%204700-4.pdf>. You need to fill out the form and return it to your project manager prior to loan closing. Any municipality receiving federal funds must complete this form, whether the

project is designated as equivalency or not.

The third extra requirement is to fill out the "EIF Federal Equivalency Projects Assurances & Certification" (Form #8700-201). Your municipality's authorized representative must sign the form and submit it to your EIF project manager. By signing this form a municipality certifies that it will comply with Federal Cross-Cutting Laws and Authorities that apply to projects receiving federal capitalization grant funds. This form is available on-line at: <http://www.dnr.state.wi.us/org/caer/cfa/EL/forms/8700201.pdf>.

The last of the four extra requirements is that the municipality will have to comply with the federal Single Audit Act for any year in which they receive \$500,000 or more in federal funds. The Department of Administration will send a letter to the municipality at the end of the year identifying the total amount of federal funds received from the CWFP or SDWLP for that year. The \$500,000 benchmark is for federal funds received from ANY program, not just the EIF.

So why do you have to follow these requirements? EPA requires that any projects receiving funds that come directly from our federal SRF capitalization grants have to follow these extra requirements. This means that every year we have to designate a certain number of CWFP projects as federal equivalency and that all SDWLP projects are technically equivalency projects, too. This is because all the SDWLP funds come from the capitalization grant and our 20% state match.

If you have any questions about federal equivalency projects, contact your project manager, or contact Becky Scott at 608-267-7584 or rebecca.scott@dnr.state.wi.us. ☐



Financial Management Reporting - eCMAR

Jerry Wilson

You've probably seen "eCMAR" in different publications. It stands for the electronic Compliance Maintenance Annual Report (eCMAR). Municipalities with WPDES permits have completed a hardcopy CMAR each spring covering the previous calendar year. The eCMAR for wastewater treatment plants, for report year 2004, must be submitted electronically to DNR by June 30, 2005.

The Financial Management section of the eCMAR is a spin-off of the earlier report version Part 11 – Financial Management Status. The new report contains edits to help ensure that financial data is accurate and consistent with data submitted the year previous to the most recent reporting year. For the first time, the Financial Management section assigns points for responses that indicate a system deficiency.

To help municipalities complete the eCMAR for 2004, Community Financial Assistance staff reviewed the Financial Management Status section of submitted 2003 CMARs for municipalities that have had a CWFP loan/grant. Our goal was to determine if past reporting appeared accurate. When we found inaccuracies, and/or situations in which a municipality will incur points under the electronic version of the report, we sent a letter explaining 2003 discrepancies or deficiencies. We mailed 54 letters. Many of you have contacted us after investigating and have been able to clean up data prior to embarking on the electronic version. We thank you; your interest in starting on the new system with accurate data is commendable.

DNR will retain some of the data you enter for 2004 for your use in next year's reporting. Particularly, the Equipment Replacement Fund ending balance will be populated as your beginning balance for 2005. Also data entered on future projects will be there for you to update or delete.

Municipalities that do not currently have a WPDES permit, but rather a general permit for a collection system, will be completing the eCMAR in the near future, with the Financial Management section included.

If you have questions while completing the Financial Management section, you may find answers to many of your questions by clicking on the Help button to access the on-line Instructions and Definitions section in eCMAR. You may also contact Jerry Wilson, User Charge Specialist, at gerald.wilson@dnr.state.wi.us or at 608-264-8986. ☐



Timely News

Jeanne Cargill

Do you like to stay on top of the news? Get Loan Interests the fast way! Each time we publish a Loan Interests newsletter, Jodi Armstrong of the Environmental Improvement Fund (EIF) staff sends an e-mail message to many of our readers to inform them that the latest issue of Loan Interests is now available on line for viewing and download; the message includes a link to our Newsletters web page. The people on the e-mail list see Loan Interests anywhere from 2 to 6 weeks prior to those who wait for a paper copy to come in the mail. Staff cuts in our copy center and mailroom has slowed our process for getting the newsletter mailed out. Note that our March 2005 issue was available on the web on March 18th, and as of May 2nd was not yet in the mail to those receiving paper copies.

We highly encourage you to get on our e-mail list for the newsletter. We need to cut down our current paper mailing list by a significant amount. Please determine which of the following works for you.

- If you are already on our e-mail list and you don't need a paper copy in the mail, you don't have to do anything. We will continue to send you the e-mail announcements when we publish Loan Interests on-line. We will remove your name from our paper copy list, if it is there, unless you ask us not to.
- If you currently receive a paper copy in the mail but would instead like to receive e-mail announcements when we publish Loan Interests on-line, you need to either: 1) send an e-mail message to Jodi.Armstrong@dnr.state.wi.us asking her to place your e-mail address on our electronic newsletter list, or 2) complete the form in the appendix of this issue of Loan Interests and send it to us. We will remove your name from our paper copy list unless you ask us not to.
- If you currently receive a paper copy in the mail and feel you need to continue receiving a paper copy of Loan Interests, you need to fill out the form in the appendix of this issue and send it back to us. If we don't hear from you by June 30, 2005, we will remove your name from our mailing list.
- If you don't currently receive a paper copy of Loan Interests or our e-mail announcements but would like to, please submit the form in the appendix of this issue of the newsletter or send an e-mail message to Jodi.Armstrong@dnr.state.wi.us asking her to place your e-mail address on our electronic newsletter list.

Currently all of the issues from 2003 through 2005 are available as PDFs on our Newsletters web page at <http://dnr.wi.gov/org/caer/cfa/EL/Section/Newsletters/newsletters.html>.

It's easy to look for project priority lists, funding policies, funding lists, intended use plans, etc. for all EIF programs without having to keep paper copies of older issues of Loan Interests. You can print out just one page of an issue if you'd like to keep a particular article handy at your desk, or you can print the entire newsletter when you're ready to read it.

Important: If you receive the e-mail announcements for our newsletter, please be sure to inform Jodi if your e-mail address changes. Having you tell us about a change is the only way we can keep the announcements coming to you without interruption. ☐

CWFP Intended Use Plan

Becky Scott

Looking for a description of how DNR uses Clean Water Fund Program (CWFP) funds? Check out Wisconsin's State Fiscal Year (SFY) 2006 CWFP Intended Use Plan (IUP) included in the appendix of this issue of Loan Interests. The IUP indicates the intended use of the Federal Fiscal Year (FFY) 2005 Clean Water State Revolving Fund (SRF) capitalization grant and required state matching funds, as well as the undisbursed funds remaining from the FFY 2004 grant. The IUP is a part of Wisconsin's capitalization grant agreement package for FFY 2005 SRF funds and covers anticipated activity during SFY 2006.

If you have any questions or comments regarding the CWFP Intended Use Plan, contact Becky Scott at (608) 267-7584 or rebecca.scott@dnr.state.wi.us ☐